

ANNUAL DISCLOSURE REPORT

YEAR ENDING JUNE 30, 2011

CITY OF RIVERSIDE WATER PUBLIC UTILITIES

**2001 WATER REVENUE BONDS
BONDS DATED AUGUST 16, 2001**

CUSIP NUMBERS 769076QZ6 Through 769076RV4

Prepared by
City of Riverside

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RIVERSIDE PUBLIC UTILITIES
CONTINUING DISCLOSURE INFORMATION - 2001 WATER BONDS \$20,000,000
FISCAL YEAR ENDED JUNE 30, 2011

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report.

1. Also enclosed is the City of Riverside Water Utility 2010/11 Audited Financial Statements.
2. The principal amount of the 2001 Bonds outstanding at June 30, 2011 was \$1,470,000.
3. The Reserve Account Requirement for the 2001 bonds is funded by an investment agreement issued by AIG in the amount of \$522,725.
4. Water System General Statistics

No. Of Service Connections	64,349
Annual Water Production	21,666 (millions of gallons)
Production from System Wells	21,666 (millions of gallons)
Peak Daily Distribution	91.0 (millions of gallons per day)
Average Daily Distribution ⁽¹⁾	58.0 (millions of gallons per day)

(1) Average Daily Production = Average Daily Distribution

5. Number of Meters

Residential	58,460
Commercial/Industrial	5,482
Other	<u>407</u>
Total - All Classes	<u>64,349</u>

6. Water Sales and Distribution (millions of gallons)

Total Water Sales	19,258
Average Daily Distribution	58.0
Maximum Day Distribution	91.0
Average Daily Sales per Capita (Gallons)	825

7. Summary of Operations and Debt Service Coverage (in thousands)

Operating revenues:

Water Sales	
Residential	\$ 35,721
Commercial	17,863
Other sales	1,725
Wholesale sales	2,745
Other operating revenues	<u>3,132</u>
Total water revenues, before (reserve)/recovery	61,186
Reserve for uncollectible, net of recovery	<u>(123)</u>
Total operating revenue, net of (reserve)/recovery	\$ <u>61,063</u>

Investment income	2,635
Gain on Sale of Assets	18,365
Contributions in aid	1,356
Non-Operating revenues	<u>910</u>
Total revenues	\$ <u>84,329</u>

Operating expenses	
Field operations	\$ 11,447
Production and operations	14,480
Engineering	7,932
Water Resources	<u>1,362</u>
Total expenses	\$ <u>35,221</u>

Net Operating Revenues	
Available for Debt Service and Depreciation	\$ <u>49,108</u>

Debt Service Requirements	
on 2001, 2008, 2009 and 2011 Bonds	\$ 14,063
Debt Service Coverage	3.49

CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Significant Events

There has been no occurrence of the following significant events with respect to the 2001 WATER REVENUE BONDS \$20,000,000, except that relative to item 6, Standard & Poor's raised its underlying rating to "AAA" from "AA+" on May 5, 2011 and item 4 as stated below:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Modification to rights of Bondholders.
4. Optional, contingent or unscheduled Bond calls - The City advanced refunded and escrowed: \$13,320,000 of the outstanding bonds on September 20, 2005 and \$1,675,000 on December 22, 2009. In accordance with the bond issuance documents, these bonds were called on the first optional redemption date of October 1, 2011.
5. Defeasances.
6. Rating Changes.
7. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. Unscheduled draws on debt service reserves reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of the credit or liquidity providers or their failure to perform.
11. Release, substitution or sale of property securing repayment of the Bonds.

Notice for listed events described in Section 5 subsection (a) (4) and (5) of the Continuing Disclosure agreement need not be given under this subsection and earlier than the notice (if any) of the underlying event is given to Owners of affected pursuant to the Master Resolution.